

What is the 'Fight Against Corruption' in Nicaragua?

Jon Cloke

Department of Geography, Loughborough University, The United Kingdom,
E-mail: J.M.P.Cloke@lboro.ac.uk.

Two hundred years ago in Great Britain, the political system was dominated by electoral power exercised through rotten boroughs, a system characterized by institutionalized corruption - these electoral boroughs were owned by local elites, and voting was restricted to a handful of people. Whilst industrially she was the wonder of the world, the political system in Great Britain was restricted, corruption was the norm, and it seemed impossible to imagine that such an ancient system could be changed. By the time of the Reform Act of 1832 however, Britain had already been going through a process of constitutional change lasting for hundreds of years - it is only now, from our position of 20/20 hindsight, that we choose to interpret all of the events since the signing of the Magna Carta in 1215 as if it were some seamless whole, an inevitable process that would lead to the position of superior moral governance that we appear to think we are in now.

Similarly in the USA, at a time from the 1860s onwards when that country began to emerge as a dominant global force, administrations such as that of Taft and of Ulysses S. Grant became by-words for corruption, and graft in the US was widespread at the beginning of the 20th century. Even after the beginning of the 'cleansing' of US politics that began in the 1900s, there was plenty of substance to the sub-text of corruption that continued throughout that century and -if we are to believe some observers- plenty of reason to believe that corruption in the US is on the rise again, as the stories of mass corruption from the administration of Iraq and contracts and procurement from the Pentagon would seem to testify.

But the point is that both Great Britain and the USA have experienced massive increases in economic and political power at a time when politics could be bought and paid for. Since that era, examining the succession of scandals emitting from the European Commission and in particular the seemingly never-ending involvement of European countries in indefensible arms deals with some of the most repressive regimes on the planet, it might sometimes appear that if we have

on the whole removed gross corruption from our own countries, it's merely been to externalize it and visit it on the poor South.

The countries now laying claim to moral superiority are quick to forget not only their own history, then, but also their roles in fostering corruption during the Cold War. Corruption in Nicaragua didn't matter to the USA when Somoza was an ally against communism (typified by Franklin Delano Roosevelt's famous 'Our-son-of-a-bitch' attitude to the Somoza and other Latin American dictatorships), and after 1990 neither did increasingly rampant corruption in both the Chamorro and Aleman administrations; so long as Nicaragua kept on liberalizing and adjusting, so long as the FSLN (the Sandinistas) could be kept out of power, the international financial institutions stood by and watched. When we talk about new discourses like 'the fight against corruption', what we're really talking about is ideology, hegemony.

Among those countries which constituted the anti-communist alliance globally such as the Philippines, South Korea, Taiwan, Japan, not only has the development of many of these countries into fully-fledged members of the developed nations club been accompanied by widespread corruption and exclusionary political practices. This has frequently been at the urging of the US, the G8 and the supra-national financial institutions. As the scenery changed after 1989, however, in many respects the political dynamics have remained the same; in 2005 the Philippines was excluded from the short-list for the Millennium Challenge Accounts set up by the US whilst Nicaragua is included, on the public grounds that the Philippines has failed to make satisfactory progress against corruption. More cynical observers believe, however, that inclusion on the list has more to do with the fact that Nicaragua continues to maintain a symbolic military presence in Iraq, whilst the Philippines unilaterally withdrew its' troops.

Similarly, the massively corrupt and oppressive dictatorship of Karimov in Uzbekistan continues to receive millions of dollars of US aid whilst the US maintains Karshi-Kanabad Airbase (named, with delightful irony, Camp Stronghold Freedom) in Uzbekistan. As Mr. John J. Maresca, vice president of international relations for Unocal Corporation made plain in 1998 when he appeared before the congressional committee on international relations, however, this has less to do with the spread of good governance and democracy than with oil: "Unocal foresees a pipeline which would become part of a regional system that will gather oil from existing pipeline infrastructure in Turkmenistan, Uzbekistan, Kazakhstan and Russia."

In addition, as the frequent appearance of an unmarked CIA Gulfstream V at Karshi-Kanabad airbase suggests, Uzbekistan is one of those countries to which unnamed prisoners are extraordinarily rendered by the US intelligence services so that they can be tortured. How delightful, then, that in the aftermath of the May 2005 massacres of unarmed civilians by security forces in Uzbekistan the Foreign Office of the UK claimed with pride that one aspect of UK aid to Uzbekistan was a centre for the rehabilitation of torture victims - the UK is providing a rehabilitation centre for the victims of the torture which, as a member of the US-sponsored coalition in Iraq, we are aiding and abetting.

Not only governments or political parties are involved in this new environment for corruption. Today, corruption is commonplace within financial organizations such as the Inter-American Development Bank which are loudest in

their public declamation of corruption and where, as Martin Andersen of Insight Press reported on 30/9/02, kickbacks to bank officials by contractors are not so much rife as an expected part of the bidding process. In their dealings with external agencies, whilst organizations such as the International Development Bank and the World Bank are unable to cure themselves of their addiction to large dam projects, cases such as that of the Itaipu (Brazil), Bujagali (Uganda) and Yacyreta (Argentina) dams, projects creating little except millions of dollars in bribes and kickbacks for the wealthy, will continue.

The plaintive cries of ex-President Arnoldo Aleman of Nicaragua that those attacking him are “ingrates, *sinvergüenzas* (shameless)” should therefore attract some sympathy; he was selected not only by the rich elites in Managua and Miami but by influential actors in the USA for being exactly what was needed – just as in the fable of the frog and the scorpion¹, Aleman simply was what he was, but the rules of the game had changed around him. The powerful international financial institutions sang his praises and continued to shower him with loan money, large amounts of which has now disappeared and which increasingly impoverished Nicaraguans will be expected to pay back on his behalf. The principles of sovereign debt and sovereign responsibility, like the principle of papal infallibility, mean that the powerful aid/loan institution never has to say sorry, never admit that it was wrong and never, never has to take responsibility for the misery that it has wrought.

Nicaragua's corruption isn't just the creation of external intervention, though - from the position of Nicaragua as a colony of the Spanish Crown up until today, the exploitative cultural and social dynamic that led to *caudillismo* made the development of an internally-regulated, just and equitable society a virtual impossibility. Immunity from the law under the Nicaraguan constitution for the President on downwards may have derived originally from Spanish law as a means of protection from the power of the crown, but those who were to be protected by such laws quickly began to use them to become that from which the majority of Nicaraguans need to be protected. Power in Nicaragua is to be kept away from the people, a bargaining token for elite to deal with elite – how else to explain the continuing negotiations between the 'avowed enemies' of the FSLN and the *Alemanista* faction of the Liberal party to negotiate the ex-president's release from jail?

Under the PLC/FSLN pact up to 2001, the exploitative dynamic was worsened through the constitutional 'reforms' passed by the national assembly in 1999 and 2000, in which immunity was extended to both ex-president and vice-president, as well as the candidates for both posts in the losing party, and in which the president could confer immunity at will. Despite the current plight of Aleman, the Nicaraguan state is still divided between the *Alemanista* PLC and the FSLN, so

1 The scorpion was stranded on an island in the middle of a stream which was rapidly rising because of a flood. A frog swam past, and the scorpion called out: “Frog, give me a ride on your back to the other side, or I shall surely drown.” The frog replied: “I think not – you are a scorpion and if I give you a ride you will sting me.” But the scorpion carried on pleading, and eventually persuaded the frog to give him a ride. As the frog got half-way over to the other side, he felt a sharp pain in his back as the scorpion stung him. “Why did you do that?” the frog cried, as he felt the poison paralyse him, “for now we shall both surely die!” “Why, I am a scorpion and it is in my nature,” said the scorpion, “you knew what I was when you picked me up...” and with that, both slipped below the waters and were drowned.

that this two-headed monster of Nicaragua continues to treat the republic as an *estado botín* (booty state). Until this corrupt political arrangement is done away with, fighting corruption will mean little or nothing.

So what of the initiatives of President Enrique Bolanos against corruption? This is the Don Enrique who, as the Nicaraguan daily *El Nuevo Diario* reported on 5/1/2001 had at least 16 members of his family in state posts, and who as president claimed in addition a vice-presidential pension, despite not having retired. The same Don Enrique, as *El Nuevo Diario* reported on 14/10/02, who claimed a salary and stipends greater than half the salary of the US President in an economy 1/87th the size, a man still dependent on negotiating power with an FSLN equally as corrupt as the PLC.

In reality, not much could be expected from Don Enrique, underpinned as he was by a vicious form of the clientelism that affects all countries – a clientelism and poverty that in Nicaragua are locked together in a downward spiral. It is easy in Nicaragua to dismiss the corruption of Aleman under the glib phrase '*roba pero hace*' (he steals, but he acts); to assume that Nicaraguans accept anyone who's at least a half-competent crook. But in Nicaragua, clientelism for the poor is a survival mechanism; support dictated by economic necessity, the whole system a malignant ghost of the pre- and post-colonial epoch when survival required attaching yourself to a *caudillo*.

But from the people with a will to change, everything is to be expected. The emergence of organizations such as *Ética y Transparencia* (Transparency and Ethics) marks a departure for those factions in Nicaragua determined to form a new civil society. It is still too early to tell and many of the leading figures in these organizations remain linked into the old, abusive system, but if such organizations are viewed alongside the groundswell of popular discontent that has been unseating the old regimes across the Southern American continent, it may be that at last something is beginning to change.

As an observer in the Nicaraguan presidential elections in 2001, I watched queues of hundreds, thousands, waiting in a ferocious sun for up to eight hours, just to vote. These people, along with the hundreds of supporters who gathered in Managua in July 2002 to demand signatures from passers-by for the removal of Aleman's immunity are people no longer prepared to accept an imposed reality for their country. Old Cold War relationships continue to characterize the South as much as the East and it may well be that these Nicaraguans see what is happening in Ecuador, in Venezuela, in Argentina, in 'Orange' eastern Europe and the ex-Soviet Union and are no longer prepared to accept a reality dictated to them by their over-powerful neighbour to the north.